Company Registration No: 271446

PEEL PORTS PP FINANCE LIMITED

Report and Financial Statements

For the year ended 31 March 2021

REPORT AND FINANCIAL STATEMENTS

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

I G L Charnock
M Whitworth

REGISTERED OFFICE

C/o Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

AUDITOR

BDO LLP
Statutory Auditor
3 Hardman Street
Spinningfields
Manchester
M3 3AT
United Kingdom

DIRECTORS' REPORT

The directors present their report and the audited non-statutory financial statements of the Company for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES AND REVIEW OF YEAR

The principal activity of the Company is as a treasury company. During the year, the Company issued further private placement debt and the proceeds were on-lent to a fellow group undertaking within the Peel Ports Group Limited group of companies.

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

Net assets were £nil at 31 March 2021 (2020: £nil).

The directors expect that the present level of activity will be sustained for the foreseeable future.

No interim dividend has been paid and no final dividend is proposed.

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity, cash flow and interest risks

The key financial risk arises from the level of long-term debt held by the Group that the Company is part of and the interest arising thereon. The Group's loans and loan note instruments with repayment dates between 1 April 2021 and 30 September 2046 ("long-term debt") amount to £2,145.5m (2020: £2,143.3m). The cash flow risk arising in connection with interest charges is mitigated through the use of interest rate and index-linked swaps.

The directors consider that the combination of the swap instruments, stable trading of the ports business, effective working capital management and the investment in the asset base assists in managing the risks arising from the level of debt and variability in interest rates. The Group's bank loans and swap instruments are spread over a large number of banks. As at 31 March 2021, within the current facility agreements, there were undrawn funds of £175.0m available in addition to cash of £87.8m on the Group's balance sheet. In addition, the Group has in place £110.0m of debt service reserve liquidity facilities to cover annual interest costs. Consideration of this in the context of going concern, and the additional risks arising from COVID-19, can be found in note 3

Going concern

As referred to in note 3 to the financial statements, the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The directors of the Company who served during the year and thereafter are listed on page 1.

The Company maintains directors' and officers' liability insurance, which provides insurance cover for the directors and officers of the Company against liabilities that they may incur personally as a consequence of claims made against them alleging breach of duty or other wrongful act or omission in their capacity as directors or officers.

On behalf of the Board

I G L Charnock
Director
3 September 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the non-statutory financial statements.

The directors have elected to prepare the non-statutory financial statements in accordance with United Kingdom Generally Accepted Accounting Practice "UK GAAP" (United Kingdom Accounting Standards). Under UK GAAP, the directors must not approve the non-statutory financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these non-statutory financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the non-statutory financial statements; and
- prepare the non-statutory financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for preparing the directors' report and the non-statutory financial statements in accordance with applicable law and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PEEL PORTS PP FINANCE LIMITED

REPORT ON THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

We have audited the financial statements of Peel Ports PP Finance Limited ("the Company") for the year ended 31 March 2021 which comprises the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PEEL PORTS PP FINANCE LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors (as required by auditing standards).

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 18 January 2021. Our audit work has been undertaken so that we might state to the Company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Stuart Wood
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BDO LLP
Chartered Accountants
Liverpool
3 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2021

	Note	2021 £m	2020 £m
OPERATING PROFIT	6	-	-
Net interest expense	7	-	-
PROFIT BEFORE TAXATION		-	-
Taxation	8	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

The above results are derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

The Company has no recognised gains and losses other than those included in the results above.

	2021 £m	2020 £m
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	-	-

BALANCE SHEET
As at 31 March 2021

	Note	2021 £m	2020 £m
CURRENT ASSETS			
Debtors – amounts falling due within one year	9	10.9	8.4
– amounts falling due after more than one year	9	1,176.6	1,159.9
		1,187.5	1,168.3
CREDITORS: amounts falling due within one year	10	(10.9)	(8.4)
NET CURRENT ASSETS		1,176.6	1,159.9
CREDITORS: amounts falling due after more than one year	11	(1,176.6)	(1,159.9)
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called-up share capital	13	-	-
Profit and loss account			-
TOTAL SHAREHOLDER'S FUNDS		-	-

The financial statements of Peel Ports PP Finance Limited (company registration number 271446), were approved and authorised for issue by the Board of Directors on 3 September 2021 and signed on its behalf by:

I G L Charnock
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Called-up share capital £m	Profit and loss account £m	Total £m
As at 1 April 2019, 31 March 2020 and 31 March 2021	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in the Cayman Islands. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on page 2.

2. STATEMENT OF COMPLIANCE

The financial statements of Peel Ports PP Finance Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the current and prior financial years, is set out below.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The directors have obtained confirmation from the directors of Peel Ports Group Limited that the Group will provide such financial support as is necessary to ensure that the Company will be able to meet its third-party liabilities as they fall due during the twelve months following the date of the signing of the 2021 financial statements. In considering the appropriateness of the going concern basis of preparation, the directors have considered consolidated forecasts for Peel Ports Group Limited, which include the Company, for the next twelve months from the date of signing the 2021 financial statements. These include detailed cash flow forecasts and working capital availability. These forecasts show that sufficient resources remain available to the business for the next twelve months after taking account of reasonably possible changes in trading performance, including those arising from the global COVID-19 pandemic. The Company is party to the cross-guarantee of the debt facility of Peel Ports Group Limited group ("the Group").

In considering the assumptions and conclusions of Group's management in making their assessment of going concern on a Group basis, the directors are cognisant of the following going concern disclosure, which appears in the financial statements of Peel Ports Group Limited for the year ended 31 March 2021:

- "the directors prepare and update detailed annual budgets, two year projections, and five year strategic plans. As the five year strategic plan was prepared before the outbreak of the global COVID-19 pandemic, management have re-reviewed that plan and adopted a revised outlook that reflects the disruption caused by the pandemic. For the period extending at least 12 months from the date of signing of these accounts, the Group has modelled different scenarios in the absence of further mitigating actions that show that the Group has sufficient headroom to withstand significant further downward pressure on results from reduced volumes or customer opportunities not being converted, both in terms of available liquidity and the Group's covenant ratios. If the actual results are significantly worse than forecast, the group has the option of pursuing further mitigating measures that are under its own control to cut costs and preserve cash. These include further reductions in variable staff and other variable costs to match reduced activity, a decreased level of capital expenditure or the postponement/cancellation of shareholder distributions;
- at the balance sheet date, the Group has net liabilities of £1,885.8m (2020: £1,946.2m) which are principally attributed to two factors. Firstly, the reorganisation of the Group in 2006 which was accounted for under merger accounting principles and resulted in the creation of a merger relief reserve of £506.1m. Secondly, the fair value of the Group's derivative financial instruments, primarily interest rate and index-linked cross currency swaps, which have a net liability of £998.1m (2020: £1,083.0m);

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

- as at 31 March 2021, the Group has borrowings of £2,022.5m (2020: £2,020.3m), which are subject to covenant restrictions. No breaches have occurred in the historical period or are forecast to occur. After taking account of potential changes in trading performance, the Group's forecasts and projections indicate that it is expected to continue to comply with covenant requirements for a period of at least 12 months from the date of approval of the financial statements;
- other than £9.6m of bank loans which are due for repayment in the year ending 31 March 2022 and a further £2.3m due for repayment in the six months ending 30 September 2022, the Group's loans and loan note instruments have repayment dates between 1 October 2022 and 30 September 2046;
- the payment of swap accretion, held as a liability of £40.8m as at 31 March 2021, is scheduled to be paid on 1 October 2021 from available facilities; payment of the accretion was deferred from 1 October 2020 to provide the Group with additional liquidity in the immediate period following the outbreak of the COVID-19 pandemic;
- in the year ended 31 March 2021, although turnover from continuing operations decreased from £555.6m to £504.8m, group operating profit before exceptional costs from continuing operations increased by £0.7m to £149.7m despite the disruption to supply chains caused by the COVID-19 global pandemic. This reflected a strong focus on cost management and the continuing benefit of having a diversified service offering and robust customer base;
- cash inflows generated in the year, together with utilisation of existing capital expenditure facilities, enabled the Group to finance tangible fixed asset additions of £145.1m (2020: £128.9m) (cash outflow);
- at the balance sheet date the Group held £87.8m (2020: £91.1m) of cash balances and had undrawn loan facilities of £175.0m available; a further £110.0m of liquidity facility is available for the payment of interest. Subsequent to the year-end, the Group has raised a further £135m of finance, providing additional liquidity;
- despite the significant disruption to the global economy caused by the global COVID-19 pandemic, the above considerations together with the Group's robust business model underpinned by long-term customers with a high percentage of secure, and typically RPI-linked, revenue and the ability of management to take appropriate steps to mitigate as far as possible the downside scenarios presented by the pandemic, provides confidence that the Group has the resources and flexibility to respond timely to events as they occur. The group has already instigated certain costs saving and capital expenditure reduction initiatives; and
- as a result of the actions already taken to date and further contingency plans to react to a more adverse scenario, management have concluded that the group should generate sufficient cash and EBITDA to continue as a going concern and to avoid breaching its loan covenants. Liquidity risk is principally managed by maintaining cash and borrowing facilities at a level that is forecast to provide reasonable headroom in excess of the expected future needs of the group."

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the available exemptions to not disclose:

a) A reconciliation of the number of shares outstanding at the beginning and end of the year;
b) A statement of cash flows;
c) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the Company is consolidated; and
d) Key management personnel compensation in total.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in pound sterling and rounded to millions.

The Group's and Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the spot exchange rates at the dates of transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Finance costs

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than 12 months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(i) Financial assets (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Share capital

Ordinary shares are classified as equity.

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These are based on management's best knowledge of the amount, event or actions, taking into account historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As has been noted elsewhere in this annual report, the COVID-19 global pandemic has caused unprecedented disruption to economies around the world and this has caused significant uncertainty for all companies. Consideration has been given as to how this might impact the critical accounting judgements and estimates of the Company, with no material areas having been identified.

(i) Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

(ii) Key sources of estimation uncertainty

The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

5. EMPLOYEES AND DIRECTORS

The Company had no employees during the year or the previous year.

No director received any emoluments for their services to the Company (2020: £nil). Directors who are remunerated by other undertakings in the Peel Ports Group Limited group of companies are not disclosed in these financial statements. Those directors have to account in turn to those undertakings. Additionally, the emoluments of directors who are remunerated for services to the Group as a whole are not disclosed in these financial statements. It is not practicable to allocate their remuneration between their services to the Company, to the other companies in the group or to their Group role.

6. OPERATING PROFIT

The auditor's remuneration for audit work of £2,000 (2020: £2,000) was borne by a fellow group undertaking. Fees paid to the Company's auditor, BDO LLP, for services other than the audit are not disclosed in the financial statements of the Company as the financial statements of the Company's parent, Peel Ports Group Limited, are required to disclose non-audit fees on a consolidated basis.

7. NET INTEREST EXPENSE

		Note	2021 £m	2020 £m
a)	**Interest payable and similar charges:**			
	Interest on private placement notes		40.2	37.2
b)	**Interest expense on financial instruments measured at fair value through profit or loss**			
	(Gains)/losses on retranslation of foreign currency loans	12	(31.0)	10.1
			(31.0)	10.1
c)	**Interest receivable and similar income**			
	Group interest receivable and similar income		(40.2)	(37.2)
d)	**Interest income on financial instruments measured at fair value through profit or loss**			
	Losses/(gains) on retranslation of foreign currency group loans	12	31.0	(10.1)
			31.0	(10.1)

	Notes	2021 £m	2020 £m
Net interest expense			
Total interest payable and similar charges	7(a)	40.2	37.2
Interest expense on financial instruments measured at fair value through profit or loss	7(b)	31.0	10.1
Interest receivable and similar income	7(c)	(40.2)	(37.2)
Interest income on financial instruments measured at fair value through profit or loss	7(d)	(31.0)	(10.1)
		-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

8. TAXATION

	2021 £m	2020 £m
Current tax		
UK corporation tax	-	-
Total tax	-	-

There is no difference between the expected tax charge that would arise from applying the standard rate of corporation tax in the UK of 19% (2020: 19%) and the actual current tax charge for the year.

9. DEBTORS

	2021 £m	2020 £m
Amounts falling due within one year:		
Amounts owed by group undertakings	10.9	8.4
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,176.6	1,159.9

The Company has lent £901.2m (2020: £853.5m) and $380.0m (2020: $380.0m) to a fellow group undertaking, Peel Ports Limited, under a loan agreement which mirrors the terms of the private placement notes described in note 12. The loans fall due for repayment between 10 December 2021 and 10 December 2037.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £m	2020 £m
Accruals and deferred income	8.6	8.4
Private placement loans (note 12)	2.3	-
	10.9	8.4

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £m	2020 £m
Private placement loans (note 12)	1,176.6	1,159.9

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

12. BORROWINGS

(a) Financial liabilities

	2021 £m	2020 £m
Private placement loans	1,178.9	1,159.9

(b) Maturity of financial liabilities

	2021 £m	2020 £m
In less than one year	2.3	-
In more than one year, but not more than two years	24.2	2.3
In more than two years, but not more than five years	332.0	335.0
In more than five years	820.4	822.6
Financial liabilities	1,178.9	1,159.9

Financial liabilities include £1,178.9m (2020: £1,159.9m) relating to the proceeds from the issue of sterling and US dollar denominated private placement notes, of which £2.3m (2020: £nil) is due for repayment within one year and £1,176.6m (2020: £1,159.9m) is presented as falling due after more than one year.

The sterling denominated private placement notes comprise:

- £82.0m (2020: £82.0m) which bear fixed interest rates of between 5.7% and 6.6% and are due for repayment in instalments between 10 December 2021 and 10 December 2037;
- £211.5m (2020: £211.5m) which bear floating interest rates and are due for repayment between 2 January 2025 and 1 October 2029;
- £55.0m (2020: £55.0m) which bear a fixed rate of interest of 4.1% and are due for repayment on 15 December 2027;
- £125.0m (2020: £125.0m) which bear a fixed rate of interest of 3.5% and are due for repayment on 31 January 2027;
- £35.0m (2020: £35.0m) which bear interest at a fixed rate of 2.8% and are due for repayment on 26 June 2029;
- £40.0m (2020: £40.0m) which bear interest at a fixed rate of 2.7% and are due for repayment on 17 July 2029;
- £75.0m (2020: £75.0m) which bear a fixed rate of interest of 2.9% and are due for repayment on 17 September 2028;
- £50.0m (2020: £50.0m) which bear a fixed rate of interest of 2.5% and are due for repayment on 16 January 2030;
- £100.0m (2020: £100.0m) which bear a fixed rate of interest of 3.0% and are due for repayment on 18 December 2031; and
- £80.0m (2020: £80.0) which bear a fixed rate of interest of 2.8% and are due for repayment on 18 December 2026.
- £50.0m (2020: £Nil) which bear a fixed rate of interest of 2.95% and are due for repayment on 19 January 2031.

The US dollar denominated notes total \$380.0m (2020: \$380.0m), bear fixed interest rates of between 3.49% and 5.3% (2020: 3.49% and 5.3%) and are due for repayment between 10 December 2022 and 18 December 2026 (2020: between 10 December 2022 and 18 December 2026).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

12. BORROWINGS (CONTINUED)

Upon entering into the US private placement notes, the dollars were immediately swapped into Sterling to eliminate exposure to future exchange rate movements. The fixed Sterling amount was £242.9m (2020: £242.9m). However, under FRS 102, the dollar notes are retranslated into Sterling at the balance sheet date using the spot rate, with changes in value being recognised as a finance cost/credit in the profit and loss account. As at 31 March 2021, the US private placement notes were recorded in the financial statements at £275.4m (2020: £306.6m), a cumulative difference of £32.5m (2020: £63.7m) compared to the fixed Sterling amount. For the year ended 31 March 2021, a retranslation gain of £31.0m (2020: loss of £10.1m) was recorded (see note 7).

As the private placement loans are on-lent to other group undertakings on identical terms, an equal and opposite debit of £31.0m (2020: credit of £10.1m) was recorded in the year ended 31 March 2021, arising on retranslation of the foreign currency lending to those group undertakings (see note 7).

The private placement notes are secured by a combination of fixed charges, floating charges and assignments by way of security over all, or substantially all of the assets of certain group undertakings.

13. CALLED-UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called-up and fully paid		
250 ordinary shares of £1 each	250	250

14. GROUP BORROWING FACILITY

The Company, together with certain of its fellow Group undertakings has, in addition to the private placement notes recorded in these financial statements, guaranteed the amounts borrowed under bank loans by a fellow group undertaking. As at 31 March 2021, this amounted to £837.3m (2020: £870.4m).

15. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Peel Ports Holdings Limited. The ultimate parent company is Peel Ports Holdings (CI) Limited, a company incorporated in the Cayman Islands. Peel Ports Group Limited is the largest and smallest group company for which publicly available consolidated financial statements are prepared. The financial statements of Peel Ports PP Finance Limited form part of the consolidated financial statements of Peel Ports Group Limited, which are available to the public from its registered office:

The Company Secretary
Peel Ports Group Limited
Maritime Centre
Port of Liverpool
L21 1LA.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Peel Ports Holdings (CI) Limited, the immediate parent company of Peel Ports Group Limited.